

STATEMENT OF PURPOSE

RS20034C1

To provide adequate funding to administer the IDWR well construction program and reduce the burden on the general fund appropriations.

Currently the fee charged for the construction of domestic wells is \$75.00 per well. The fee for domestic wells has not been raised since 1996. At this funding level the general fund substantially subsidizes this program. In FY 2010 \$220,796 from the general fund was needed for implementation of the well construction program. In addition, funding is needed for inspections of surface seal installation required by the well construction rules. Raising the fee charged for domestic wells to \$200 per well will provide a uniform fee for the drilling of all cold water wells (irrigation, municipal, industrial wells currently \$200 per well), will provide adequate funding to reduce the burden on the general fund, and will add funding for the inspection of surface seal installation. In addition, closed loop heat exchange wells are not presently included in Idaho Code §§ 42-235. The changes would specify the fee charged for closed loop heat exchange wells.

FISCAL NOTE

The amount of revenue generated would depend on the number of domestic wells drilled. Based on wells drilled in calendar year 2009, the fee increase would have added \$228,375 in revenue to be spent on well construction inspection. These funds would provide money for adequate well inspections and would reduce the expenditure of general funds to administer the well construction program.

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